

This record is a partial extract of the original cable. The full text of the original cable is not available.

C O N F I D E N T I A L AMMAN 001234

SIPDIS

E.O. 12958: DECL: 02/24/2013

TAGS: [EPET](#) [EAIR](#) [ETTC](#) [JO](#)

SUBJECT: DCM'S MEETING WITH ENERGY MINISTER BATAYNEH

Classified By: A/DCM Doug Silliman, reasons 1.5 (b,d)

[11.](#) (u) Following are info items from the DCM's February 24 meeting with Energy Minister Mohammed Batayneh:

[12.](#) (c) Gasoil shortage: Due to unseasonably cold weather, local consumption of gasoil and fuel oil has risen higher than expected. Normally, Jordan stockpiles gasoil and fuel oil reserves in the summer for winter use, but the heavy demand this winter has led to a shortfall in stocks. Batayneh said he was issuing a tender to procure an additional 20,000 tons of gasoil to meet the additional needs.

[13.](#) (sbu) Jet Fuel Price Hike: Batayneh confirmed local press reports that the GOJ had increased jet fuel prices. He noted, though, that the hike only applied to foreign commercial carriers; that the new price was still below the price in 2000; and that the new price was still below the average price of jet fuel in the region.

[14.](#) (c) Request for Oil/Trade Protocol Increase: Batayneh denied recent local press reports that Jordan had requested a 10% increase in quantities shipped under the Jordan-Iraq oil protocol for 2003.

[15.](#) (sbu) Independent Power Project: Despite a pullout in late 2002 by Tractebel from the Independent Power Project in Al Samra, Batayneh said the project was now back on track. He said a new RFP had been sent to prospective investor groups headed by Saudi AG, ABB, CCC, and a U.S. firm, Northwest. Batayneh said he expected the tender to be awarded by the end of April 2003.

[16.](#) (c) Iraq-Zarqa Oil Pipeline: Batayneh said financial details were now being submitted by firms interested in bidding on the oil pipeline. He said he hoped to have the tender awarded in March (note: this project has been re-tendered at least three times after bidders failed to commit to financing citing political risk factors. End note.) Batayneh confirmed that the terms of the RFP include building of infrastructure on the Iraqi side of the border (storage tanks and a feeder facility for tanker trucks) and turning over the facilities to the Iraqi government prior to the beginning of commercial operations. He admitted that such a provision might complicate the bidding process in the current environment.

[17.](#) (c) Press Management: Batayneh noted that managing press interest in the oil sector in the run-up to possible military activity in Iraq was becoming increasingly challenging. He said that, despite the fact that Jordan is comfortable with its levels of reserves, he could not control rumors on the street that gasoline and diesel rationing was imminent - rumors he said were patently false. He said it would be critical in the coming weeks to keep oil issues out of the press, for fear that Iraq might seize on mounting public concern and cut off access to oil earlier than a conflict scenario would allow for. On this front, he said he had the full backing of the cabinet to make himself the only point of contact for the press on oil issues.

GNEHM